

AMENDED IN ASSEMBLY JUNE 26, 2014

AMENDED IN SENATE MAY 27, 2014

AMENDED IN SENATE APRIL 29, 2014

SENATE BILL

No. 1339

Introduced by Senator Cannella

(Coauthors: Senators Huff and Vidak)

~~(Coauthor: Assembly Member Medina and Wilk)~~
(Coauthors: Assembly Members Medina and Wilk)

February 21, 2014

An act to add Section 14124.27 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1339, as amended, Cannella. Medi-Cal: Drug Medi-Cal Treatment Program providers.

Existing law provides for the Drug Medi-Cal (DMC) Treatment Program, under which counties enter into contracts with the State Department of Health Care Services (*DHCS*) for the provision of various drug treatment services to Medi-Cal recipients, or the department directly arranges for the provision of these services if a county elects not to do so.

Existing law requires the DHCS to screen Medi-Cal providers and designate each provider as "limited," "moderate," or "high" categorical risk. Existing law requires a provider or applicant designated as a "high" categorical risk, and a person with a 5% or greater direct or indirect ownership interest in the provider, to submit to the Department of Justice fingerprint images and related information for the purpose of obtaining information as to the existence of past criminal conduct, as specified. Existing law requires the Department

of Justice to charge a fee, to be paid by the applicant or provider, sufficient to cover the cost of processing the criminal background check request.

This bill would require a county or the department, before contracting with a certified DMC provider, to require a certified DMC provider's owner and medical director to submit to the Department of Justice (DOJ) fingerprint images and other information required by DOJ to obtain the person's criminal history information, as specified. The bill would require DOJ to forward the person's fingerprint images and other information to the Federal Bureau of Investigation to obtain federal criminal history information and would require DOJ to report the criminal history information to the county or department. The bill would also require the county or department to request subsequent arrest notification for the person. The bill would require DOJ to charge a fee sufficient to cover the cost of processing that request and DMC providers to be designated as a "high" categorical risk and be subject to the background checks described above. The bill would permit the department to designate a DMC provider as a "limited" or "moderate" categorical risk by executing a declaration stating the reason or reasons that a "high" categorical risk designation is no longer warranted. The bill would provide that it is the responsibility of the DMC provider's owner or medical director to pay that fee: provider, or the person with a 5% or greater direct or indirect ownership interest in the provider; to pay the fee imposed for processing the criminal background check request, as applicable. The bill would prohibit, except as provided by federal law, a DMC provider from being excluded from contracting with a county or the department based solely on the existence of a past criminal record of the DMC provider's owner or medical director: provider or a person with a 5% or greater direct or indirect ownership interest in the provider.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14124.27 is added to the Welfare and
- 2 Institutions Code, to read:
- 3 14124.27. (a) ~~A county or the department, before contracting~~
- 4 ~~with a certified Drug Medi-Cal (DMC) provider, shall require a~~
- 5 ~~certified DMC provider's owner and medical director to submit~~

1 to the Department of Justice fingerprint images and related
2 information required by the Department of Justice for the purpose
3 of obtaining information as to the existence and content of a record
4 of state and federal convictions and arrests and information as to
5 the existence and content of a record of state and federal arrests
6 for which the Department of Justice establishes that the person is
7 free on bail, or on his or her own recognizance, pending trial or
8 appeal.

9 ~~(b) The Department of Justice shall forward the fingerprint~~
10 ~~images and related information received pursuant to subdivision~~
11 ~~(a) to the Federal Bureau of Investigation and request a federal~~
12 ~~summary of criminal information. The Department of Justice shall~~
13 ~~review the information returned from the Federal Bureau of~~
14 ~~Investigation and compile and disseminate a response to the county~~
15 ~~or department pursuant to paragraph (1) of subdivision (p) of~~
16 ~~Section 11105 of the Penal Code.~~

17 ~~(c) The county or department contracting with the DMC provider~~
18 ~~shall request subsequent arrest notification service from the~~
19 ~~Department of Justice, as provided under Section 11105.2 of the~~
20 ~~Penal Code, for~~

21 ~~persons described in subdivision (a).~~

22 ~~(d) (1) The Department of Justice shall charge a fee sufficient~~
23 ~~to cover the cost of processing the requests described in this~~
24 ~~section.~~

25 *14124.27. (a) (1) Certified Drug Medi-Cal (DMC) providers*
26 *shall be designated as a "high" categorical risk pursuant to*
27 *Section 14043.38 and the provider and any person with a 5 percent*
28 *or greater direct or indirect ownership interest in the provider*
29 *shall be subject to background checks pursuant to the provisions*
30 *of that section.*

31 *(2) The department may designate a DMC provider as a*
32 *"limited" or "moderate" categorical risk for purposes of Section*
33 *14043.38 and federal regulations. To designate a DMC provider*
34 *as a "limited" or "moderate" categorical risk, the department*
35 *shall execute a declaration, to be retained by the director, with a*
36 *copy to be posted on the department's Internet Web site and a copy*
37 *transmitted to the Legislature, stating the reason or reasons that*
38 *a "high" categorical risk designation for that provider is no longer*
39 *warranted.*

40 ~~(2)~~

1 (b) Payment of the fee imposed pursuant to paragraph ~~(1)~~ (5)
2 of subdivision (d) of Section 14043.38 shall be the responsibility
3 of the DMC ~~provider's owner or medical director, as applicable.~~
4 *provider or person with a 5 percent or greater direct or indirect*
5 *ownership interest in the provider, as applicable.*
6 ~~(e)~~
7 (c) Except as provided by federal law, a DMC provider shall
8 not be excluded from contracting with a county or the department
9 based solely on the existence of a past criminal record of the DMC
10 ~~provider's owner or medical director.~~ *provider or a person with 5*
11 *percent or greater direct or indirect ownership interest in the*
12 *provider.*